

112,797 C-30 **APPROVED** The charter school contractual agreement with Somerset Academy, Inc., on behalf of Somerset Grace Academy, for a term of 10 years, commencing with the 2009-2010 school year and ending on June 30, 2019.

Freddie Woodson, Deputy Superintendent
District/School Operations

**SUBJECT: REQUEST SCHOOL BOARD APPROVAL OF THE CHARTER
SCHOOL CONTRACTUAL AGREEMENT WITH SOMERSET
ACADEMY, INC., ON BEHALF OF SOMERSET GRACE ACADEMY**

COMMITTEE: INSTRUCTIONAL EXCELLENCE AND COMMUNITY ENGAGEMENT

**LINK TO DISTRICT
STRATEGIC PLAN: GENERAL OPERATIONS**

Section 1002.33(7), Florida Statutes, Charter Schools, requires that the major issues involved in the operation of charter schools be considered in advance and written into a charter school contractual agreement between the charter school and the sponsor, following a public hearing to ensure community input.

On November 18, 2008, the School Board approved a charter school application submitted for Somerset Grace Academy (Somerset Grace) and authorized the Superintendent to negotiate a charter school contractual agreement with the applicant for a term of ten years.

Somerset Grace will be located at 624 Anastasia Avenue, Coral Gables, Florida 33134. Somerset Grace will serve a maximum of 675 students in kindergarten through grade eight, commencing with the 2009-2010 school year. The term of the contract shall be for ten years, ending on June 30, 2019.

The Governing Board of the charter school is comprised of the following members: Mr. Victor Barroso, Account Executive, El Sembrador; Ms. Kim M. Guilarte, Principal, Mater Academy Charter School; Dr. Hui Fang Huang (Angie) Su, Program Professor, Fischler Graduate School of Education and Human Services, Nova Southeastern University; Ms. Cynthia Hanson, Vice President, Marketing & External Relations, Brooks City-Base; Mr. Carlos Resendez, Fire Retiree Representative, San Antonio Fire and Police Pension Fund; Mr. Louis J. Marin, Director, Project Management, San Antonio City Employees Federal Credit Union; Ms. Meryl Romeu, Co-owner and Chief Financial Officer, Pavillion Consulting; and Mr. David Concepcion, Mayor's Chief of Staff, City of Hialeah. This is the same governing board for the following charter schools currently in existence: Somerset Academy, Somerset Academy Charter Middle School, Somerset Academy Charter High School, Somerset Academy (Country Palms), Somerset Academy Middle School (Country Palms), Somerset Academy Middle School (South Campus), Somerset Academy Charter High School (South Campus), Somerset Academy Silver Palms and Somerset Arts Academy.

C-30

The Charter School Contract Review Committee met on June 22, 2009, and by a unanimous vote made a recommendation for approval of the charter school contractual agreement with Somerset Academy, Inc., on behalf of Somerset Grace Academy.

Copies of the charter school contractual agreement will be transmitted to the School Board Members under separate cover and will be available for inspection by the public in the Office of Board Recording Secretary, Room 924, and in the Citizen Information Center, Room 158, 1450 N.E. Second Avenue, Miami, Florida 33132.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, approve the charter school contractual agreement with Somerset Academy, Inc., on behalf of Somerset Grace Academy for a term of ten years, commencing with the 2009-2010 school year and ending on June 30, 2019.

FW:elg

CHARTER SCHOOL CONTRACT
BETWEEN
THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
AND
SOMERSET ACADEMY, INC.
ON BEHALF OF SOMERSET GRACE ACADEMY

History:

Application: November 18, 2008
CRC: June 22, 2009
Contract: July 16, 2009

bp12122008

THIS PAGE LEFT BLANK INTENTIONALLY

**SOMERSET GRACE ACADEMY
CHARTER SCHOOL CONTRACT**

TABLE OF CONTENTS

I.	GENERAL PROVISIONS.....	1
A.	CONTRACT	1
B.	SCHOOL CONCEPT	1
C.	FULFILLMENT OF STATUTORY CRITERIA FOR CHARTER SCHOOLS	1
D.	TERM	3
E.	FORUM FOR CONFLICT	3
F.	STATUTORY COMPLIANCE	4
G.	ANNUAL REPORT	5
H.	LENGTH OF SCHOOL YEAR.....	6
I.	DISTRICT TECHNOLOGY.....	6
II.	NON-RENEWAL OR CANCELLATION/TERMINATION OF THE CHARTER	6
A.	GENERAL PROVISIONS	6
B.	NON-RENEWAL	6
C.	TERMINATION UPON 90 DAYS NOTICE	7
D.	GOOD CAUSE	8
E.	IMMEDIATE TERMINATION	12
F.	POST-TERMINATION MATTERS	14
III.	ACADEMIC ACCOUNTABILITY	15
IV.	STUDENTS	23
A.	DEFINITION OF STUDENTS	23
B.	ENROLLMENT	23
C.	BALANCE.	24
D.	ENROLLMENT PROCESS.....	24
E.	WITHDRAWAL OR TRANSFER OF STUDENTS.	25
F.	DISCIPLINE.....	25
G.	EXTRACURRICULAR ACTIVITIES.	26
V.	FINANCIAL ACCOUNTABILITY.....	26
A.	ADMINISTRATIVE MANAGEMENT	26
B.	REPORTING OF STUDENTS	37
C.	FACILITIES	38
D.	TRANSPORTATION	40
E.	INDEMNIFICATION	41
F.	INSURANCE	43
VI.	GOVERNANCE STRUCTURE.....	48
VII.	MANAGEMENT COMPANIES.....	51
VIII.	HUMAN RESOURCES.....	52
A.	EMPLOYMENT	52
B.	PRIVATE OR PUBLIC EMPLOYEES.....	56
IX.	MISCELLANEOUS PROVISIONS	56

THIS PAGE LEFT BLANK INTENTIONALLY

**THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
SOMERSET GRACE ACADEMY CHARTER SCHOOL CONTRACT**

I. GENERAL PROVISIONS

- A. CONTRACT.--** This Charter is a Contract made and entered into as of the 16th day of July, 2009, between The School Board of Miami-Dade County, Florida, hereinafter referred to as the *Sponsor*, and Somerset Academies, Inc., a non-profit corporation organized under the laws of the State of Florida, hereinafter referred to as the *Corporation*, on behalf of the governing board of Somerset Grace Academy, hereinafter referred to as the *School*. All statutes cited herein shall refer to the edition in effect when this charter Contract is executed, subject to subsequent amendment of such statutes. It is the intent of the parties that this Contract shall constitute the School's Charter. The application approved by the School Board on November 18, 2008 is attached hereto as Appendix A.
- B. SCHOOL CONCEPT. --** This School will: provide an educational environment that encompasses an individualized, academically rigorous, and engaging curriculum enabling students to become confident, self-directed, and responsible life-long learners. The School shall include all of the information required to service English Language Learners (ELL), e.g., language proficiency assessment data, level of language proficiency, home language instruction, and ELL Committee information, as currently documented in the Sponsor's Plan for Limited English Proficient Students. In addition, it will include all of the information required for Special Education (SPED) students.
- C. FULFILLMENT OF STATUTORY CRITERIA FOR CHARTER SCHOOLS.**
-- The School shall:
- (1)** Establish a new form of accountability by seeking to ensure that students learn at optimal levels; develop models for teaching/learning produced cooperatively by students, parents/guardians, and teachers; and ensure that each stakeholder group be actively involved in all phases of learning;
 - (2)** Establish, pursuant to Fla. Stat. § 1002.33(7)(a)3, the current incoming baseline standard of student academic achievement, the outcomes to be

achieved, and the method of measurement that will be used. Subsection III.(B) of this Contract includes a detailed description of how the baseline student academic achievement levels and prior rates of academic progress will be established, how these baseline rates will be compared to rates of academic progress achieved by these same students while attending the charter school, and how these rates of progress will be addressed if found to be deficient when compared to the rates of progress of other closely comparable student populations as delineated in the District's annual Review of Charter Schools report;

- (3) Utilize appropriate instruments with documented validity and reliability to measure and monitor growth of students and teachers;
- (4) Be non-sectarian in its programs, admissions policies, employment practices, and operations pursuant to Fla. Stat. § 1002.33(9)(a);
- (5) Admit students as provided in Fla. Stat. § 1002.33(10);
- (6) Be accountable to its Sponsor for performance as provided in Fla. Stat. § 1002.33(7);
- (7) Not charge tuition or fees, except those fees normally charged by other public schools, per Fla. Stat. § 1002.33(9)(d);
- (8) Meet all applicable federal, state, and local health, safety, and civil rights requirements pursuant to Fla. Stat. § 1002.33(9)(e);
- (9) Comply with the anti-discrimination provisions of Fla. Stat. § 1000.05;
- (10) Be subject to an annual financial audit in a manner similar to that of a school district and in accordance with Fla. Stat. § 218.39;
- (11) Annually adopt and maintain an operating budget;
- (12) In order to provide financial information that is comparable to that reported for other public schools, maintain all financial records utilizing the standard state guidelines and codification of accounts as contained in the most recent publication titled "Financial and Program Cost Accounting and Reporting for Florida Schools" (Red Book); or, at the discretion of the charter school governing board, a charter school may elect to follow generally accepted

accounting standards for not-for-profit organizations, but must reformat this information for reporting purposes in accordance with the Red Book;

- (13) Be subject to the charter governing body's continuous oversight over the charter school operations; and
- (14) Report its progress annually to the Sponsor.

D. TERM

- (1) This Contract shall become effective upon signing by both parties, and the term shall cover ten (10) years commencing on the first day of the 2009-2010 school year, and ending on June 30, 2019. This Contract may, however, be cancelled or terminated during its term as set forth in Section II below.
- (2) The timetable for implementation of this Contract is contained in Appendix B.
- (3) In its sole discretion, the Sponsor may grant a one-time deferral, not to exceed two years, allowing the School to postpone the opening of the School. If the School is granted the deferral but the School does not open within the time specified in the deferral, this charter Contract will be automatically terminated.
- (4) If the School is eligible, this Contract may be renewed for up to an additional fifteen (15) years by mutual agreement of the parties and upon the terms and conditions established by Fla. Stat. § 1002.33(7), (8), for such renewal.
- (5) This Contract may not be modified during its initial term or any renewal term, unless such modifications shall be approved by both parties in writing and executed by each of the parties. Either party may submit a contract amendment request for consideration by the other party but only once per school year no later than December 1 (unless a later time is allowed because the submitting party demonstrates that an amendment is needed to protect the health, safety, or welfare of the students).

E. FORUM FOR CONFLICT

- (1) If a conflict arises out of the terms, construction, or rights or obligations contained in this Contract, the Sponsor or the School may either commence the Dispute Resolution Procedure contemplated within Appendix C, or commence action in accordance with the guidelines stipulated in Fla. Stat. § 1002.33(6)(i).

- (2) All conflicts between the School and the parents/legal guardians of the students enrolled at the School shall be handled by the School or its governing board. Evidence of each parent's/guardian's acknowledgement of the School's Parent Conflict Resolution Process shall be available for review upon request by the Sponsor.

F. STATUTORY COMPLIANCE -- Pursuant to Fla. Stat. § 1002.33(16), the School shall operate in accordance with this Charter and shall be exempt from all statutes in Chapters 1000-1013 of the Florida Education Code, with the exception of the following:

- (1) Those statutes specifically applying to charter schools, including Fla. Stat. § 1002.33;
- (2) The school improvement and education accountability provisions of Fla. Stat. § 1008.345;
- (3) Those statutes pertaining to the student assessment program and school grading system;
- (4) Those statutes pertaining to the provision of services to students with disabilities (special education students);
- (5) Those statutes pertaining to civil rights, including Fla. Stat. § 1000.05, relating to discrimination; and
- (6) Those statutes pertaining to student health, safety, and welfare.
- (7) In addition, the School shall be in compliance with:
 - (a) Fla. Stat. § 286.011, relating to public meetings and records, public inspection, and criminal and civil penalties;
 - (b) Florida Statutes Chapter 119, relating to public records;
 - (c) Fla. Stat. § 218, relating to financial audits and financial emergencies;
 - (d) Sponsor's School Board Rule 6Gx13-6A-1.471, Charter Schools;
 - (e) Fla. Stat. §§ 112.311 - 112.326, Code of Ethics for Public Officers and Employees; and
 - (f) School Board Rule 6Gx13-4A-1.213, Code of Ethics.

- (8) The School agrees to adhere to a policy of non-discrimination in educational programs/activities and employment, and to provide equal access and opportunity for all, as required by federal and state laws, State Board of Education administrative rules, and School Board rules.

G. ANNUAL REPORT

- (1) The School shall make annual progress reports to its Sponsor via the Online Accountability Report by the deadline specified by the Florida Department of Education which, upon verification, shall be forwarded to the Commissioner of Education. The report shall contain at least the following:
- (a) student achievement performance data, including the information required for the annual school report and the education accountability system governed by Fla. Stat. §§ 1002.33 and 1008.345. The report must also include student achievement information that links baseline student data to the School's performance projections. The School shall also identify reasons for any differences between the projected and actual student performance;
 - (b) financial status of the School, evidenced by quarterly and annual financial statements prepared in the required formats, which must include at a minimum, a balance sheet(s) and statement(s) of revenues, expenditures and changes in fund balance at a level of detail that allows for analysis of the ability to meet financial obligations and timely repayment of debt;
 - (c) documentation of the facilities in current use and any planned facilities for use by the School for instruction of students, administrative functions, or investment purposes; and
 - (d) descriptive information about the School's personnel, including demographic data, salary and benefit level of School employees, the proportions of instructional personnel who hold professional or temporary certificates, and the proportion of instructional personnel teaching in-field or out-of-field.

- (2) The School agrees to do an annual cost accounting and provide such information to the Sponsor by August 1 each year.
- (3) The School will provide the Sponsor a School Improvement Plan adhering to the guidelines provided by Miami-Dade County Public Schools by the date due according to State and/or Sponsor's requirements. The School Improvement Plan will contain the measurable objectives that will be pursued by the School during the subsequent school year.

H. LENGTH OF SCHOOL YEAR.-- The School's calendar shall be consistent with the beginning of the Sponsor's public school calendar for each school year. The School shall provide instruction for at least the number of days required by law for other public schools, and may provide instruction for additional days. The School may choose to provide a summer school program utilizing the Supplemental Academic Instruction (SAI) funds provided by the State for such purposes.

I. DISTRICT TECHNOLOGY -- All Charter School employees, as users of the M-DCPS network and mainframe, are bound by the same computer policies and standards regarding data privacy and system security as are all district employees. These are defined in the School Board rules regarding copyright, e-mail, and Internet acceptable use as well as the M-DCPS Network Security Standards and are based on state and federal statutes regarding use of student data and student right to privacy. These district policies and standards are available on the M-DCPS web site.

II. NON-RENEWAL OR CANCELLATION/TERMINATION OF THE CHARTER

A. GENERAL PROVISIONS.-- This charter Contract may be cancelled or terminated during its term by the Sponsor for any reason set forth in this section. Notices of termination, cancellation and default may be issued by the Sponsor's Superintendent or the Superintendent's designee.

B. NON-RENEWAL

- (1) The Sponsor may choose not to renew the Contract at the end of the current term for any of the following grounds if the school has failed to correct a deficiency(ies) of which the Sponsor had given a notice of noncompliance

(either with a 90-days non-renewal notice or in a separate prior notice):

- (a) Failure to participate in the state's education accountability system created in Fla. Stat. § 1008.31, as required in this section, or failure to meet the requirements for student performance stated in the charter;
 - (b) Failure to meet financial reporting requirements and maintain effective standards that demonstrate sound fiscal management;
 - (c) Violation of law; and/or
 - (d) Other good cause shown (such as, but not limited to, the good cause bases summarized in section II. D below).
- (2) Notice.-- At least ninety (90) days prior to non-renewing the Contract, the Sponsor or its agents or representatives shall notify the governing board of the School of the proposed action in writing. The notice shall state in reasonable detail the grounds for the proposed action and stipulate that the School's governing body may, within 14 calendar days after receiving the notice, request an informal hearing before the Sponsor. The Sponsor shall conduct the informal hearing within 30 calendar days after receiving a timely written request. The School's governing body may, within 30 calendar days after receiving the Sponsor's decision not to renew the Contract, appeal the decision pursuant to the procedure in Fla. Stat. § 1002.33(6).
- (3) Upon election of termination or non-renewal by the School, notice, in writing, shall be provided to the Sponsor at least ninety (90) days before the effective termination date.

C. TERMINATION UPON 90 DAYS NOTICE

- (1) Pursuant to Fla. Stat. § 1002.33(7)(a)12, the Sponsor shall cancel the charter if insufficient progress has been made in attaining the student achievement objectives of the charter and if it is not likely that such objectives can be achieved before expiration of the charter. During the term of the Contract, the Sponsor may also terminate the Contract upon ninety (90) days notice for any of the grounds listed in subparagraphs II.(B)(1)(a)-(d), if the school has failed to correct a deficiency(ies) of which the Sponsor had notified the School (either

with the 90-days termination notice or in a separate prior notice).

- (2) At least ninety (90) days prior to terminating the Contract, the Sponsor or its agents or representatives, shall notify the governing board of the School of the proposed action in writing. The notice shall state in reasonable detail the grounds for the proposed action and stipulate that the School's governing body may, within 14 calendar days after receiving the notice, request an informal hearing before the Sponsor.
- (3) The Sponsor may send in financial and/or instructional experts from the Sponsor's District to advise and assist the School in improving the situations stated in the notice as grounds for termination. The School shall cooperate fully with such District personnel's attempts to assist the School. Failure to cooperate, or failure to significantly improve the noted situation(s) with such assistance, shall constitute further good cause for termination.
- (4) The Sponsor shall conduct the informal hearing within 30 calendar days after receiving a timely written request. The School's governing body may, within 30 calendar days after receiving the Sponsor's decision to terminate the Contract, appeal the decision pursuant to the procedure in Fla. Stat. § 1002.33(6).

D. GOOD CAUSE.-- "Good cause" for non-renewal or termination includes, but is not limited to, the following:

- (1) Failure to implement a reading curriculum that is consistent with effective teaching strategies grounded in scientifically-based reading research;
- (2) Substantially inadequate student performance;
- (3) Receiving a grade of "F" in two years of any four-year period (as applicable per the State Board of Education's current Assistance Plus District Action Plan);
- (4) Failure for five consecutive years to make Adequate Yearly Progress (AYP) under the No Child Left Behind Act of 2001 (NCLB);
- (5) The School or its representatives are found to have committed a material fraud on the Sponsor or made a material misrepresentation, either willfully or recklessly, in the application;

- (6) Failure to implement a Corrective Action Plan required by the Sponsor;
- (7) Failure to make progress toward the stated mission of the School pursuant to the charter school application and this Contract;
- (8) Failure to deliver the instructional programs or curricula identified in the application;
- (9) Failure to make contributions to the Florida Retirement System (FRS) (if the School has elected to be part of the FRS);
- (10) Having substantial debt or delinquency in payments;
- (11) The School files for voluntary bankruptcy, is adjudicated bankrupt or insolvent or is otherwise financially impaired such that the School cannot continue to operate or the School is no longer economically viable;
- (12) Failure to have an annual audit that complies with the requirements specified in paragraph (V)(A)(11) of this Contract and timely submit financial reports or other reports required by Fla. Stat. § 1002.33(9) or by this Contract;
- (13) Failure to meet generally accepted accounting principles;
- (14) Willfully or recklessly fail to manage public funds in accordance with the law;
- (15) Failure to comply with maximum class size requirements, pursuant to Fla. Stat. §1003.03 and the Florida Constitution Article IX, §§ (1) – (3) to the extent deemed legally applicable to charter schools;
- (16) Failure to maintain insurance coverage as described in this Contract;
- (17) Failure to provide the Sponsor with the required access to records;
- (18) Violation of any court order;
- (19) Criminal conviction on matters regarding the charter school by either the charter school's governing board, its members (collectively or individually), or by the management company contracted by the charter school;
- (20) Failure to submit to the Sponsor within thirty (30) days a Financial Recovery Plan, with the appropriate supporting documents, that is determined by the Sponsor to be acceptable pursuant to School Board Rule 6Gx13-6A-1.471, following a determination of financial emergency pursuant to Fla. Stat. §

218.503;

- (21)** Failure to successfully implement a Financial Recovery Plan submitted to the Sponsor pursuant to Fla. Stat. § 218.503, within the time specified and approved in the Financial Recovery Plan;
- (22)** Failure to provide periodic progress reports as required by the Financial Recovery Plan, as determined by the Sponsor;
- (23)** Receiving a finding of financial emergency, pursuant to Fla. Stat. § 218.503, for two consecutive years, or more than once during any one fiscal year; or
- (24)** Any other good cause, which shall include, but is not limited to, any material breach or violation of the standards, requirements, or procedures of this Contract such as:
 - (a)** failure to timely submit quarterly financial reports;
 - (b)** failure to comply with the timely submission of all financial statements in the required format specified by the Sponsor;
 - (c)** failure to comply with the conflict of interest provision in Section VI(L) relating to the governing board receiving compensation, directly or indirectly, from the School's operations, including but not limited to grant funds;
 - (d)** failure to fulfill all the requirements for highly qualified instructional personnel as defined by the No Child Left Behind Act (NCLB);
 - (e)** failure to comply with the timely submission of the annual report to the Sponsor;
 - (f)** failure to comply with the timely submission of the School Improvement Plan to the Sponsor;
 - (g)** failure to participate in all state and district assessment programs;
 - (h)** failure to allow the Sponsor reasonable access to facilities and records to review data sources, including collection and recording procedures;
 - (i)** failure to comply with the education goals established by Fla. Stat. § 1000.3(5);

- (j) failure of secondary charter schools to comply with Fla. Stat. §§ 1003.43 and 1008.25;
- (k) failure to use records and grade procedures that adequately provide the information required by the Sponsor;
- (l) failure to provide Special Education (SPED) students and English Language Learners (ELL) with programs and services in accordance with federal, state and local policies;
- (m) failure to obtain proof of consent to enroll each student from the student's parent / guardian or from the student, if the student is eighteen (18) years of age or older;
- (n) failure of the school to comply with the timely submission of the annual financial audit as required by Fla. Stat. § 218.39;
- (o) failure to comply with the Florida Building Code (including chapter 423) and the Florida Fire Prevention Code, including reference documents, applicable state laws and rules, and federal laws and rules;
- (p) failure to comply with all applicable laws, ordinances, and codes of federal, state, and local governance including Individuals with Disabilities Education Act (IDEA);
- (q) failure to obtain all necessary licenses, permits, zoning, use approval, facility certification, and other approvals required for use and continued occupancy of the facility as required by the local government or other governmental agencies;
- (r) failure to maintain valid licenses, permits, use approval, facility certification, and any other approval as required by the local government or any other governmental bodies having jurisdiction at any time during the term of this Contract;
- (s) failure to provide evidence of required insurance at anytime during the term of this Contract;
- (t) violation of Fla. Stat. § 112.311 - 112.326, Code of Ethics for Public Officers and Employees; or

(u) violation of School Board Rule 6Gx13-4A-1.213, Code of Ethics.

E. IMMEDIATE TERMINATION.-- This Contract may be terminated immediately if the Sponsor determines that good cause has been shown or if the health, safety, or welfare of the students is threatened.

- (1) For purposes of immediate termination, “good cause” is defined as a higher standard of good cause such as any egregious form of the good-cause bases summarized in section (3) above. In making the determination as to whether good cause exists for immediate termination, the Sponsor will consider whether the totality of the circumstances justify a decision to forego the 90-days notice and terminate immediately (considering factors such as the immediacy of the Sponsor’s concerns, the extent of those concerns, the amount of constructive notice the School had regarding these concerns, and the unlikelihood that the school could or would have remedied those concerns with proper notice).
- (2) Except in cases of extreme danger to student health, safety, or welfare, the Sponsor hereby gratuitously agrees to provide, when practical and feasible, three (3) calendar days’ notice before effectuating an immediate termination. The Sponsor must provide the basis for termination in writing detailing the basis, and such findings should be made concurrently with the Sponsors termination action. The School’s governing board may, within thirty (30) days after receiving the Sponsor’s decision to terminate the charter, appeal the decision pursuant to the procedure established in Fla. Stat. § 1002.33(6).
- (3) Upon immediate termination, the Sponsor shall assume the operation of the School and shall continue operating the School at least throughout any timely appeal by the School to the State Board of Education (or, if none is filed, until time for filing an appeal has expired). Sponsor shall hold and conserve all charter school property and assets, including cash and investments, in trust until the charter school has exhausted all appellate rights to the State Board of Education. Sponsor shall only disburse charter school funds in order to pay the normal expenses of the school as they accrue in the ordinary course of school

business. The School hereby agrees that, upon receiving notice of the Sponsor's decision of immediate termination, the School shall immediately give to the Sponsor all the keys to the school's facilities and all security-system access codes and access codes for all computers in the School's facilities, and shall immediately make accessible all educational and administrative records of the School so that the Sponsor may properly assume operation of the school immediately. Moreover, within two (2) business days, the School shall turn over all records and information regarding the accounts of all of the public funds held by the charter school; turn over all of the public property and public funds to the Sponsor. The School shall fully cooperate in the turnover to the Sponsor to ensure a smooth transition for the students.

- (4) The School's instructional and operational employees will be required to continue working in the school during the time that the Sponsor operates the School. Notwithstanding the general policy of requiring such employees to continue serving in their regular capacities during that time, the Sponsor reserves the right to take any appropriate personnel action as to such employees if any cause for personnel discipline should arise or be discovered during the Sponsor's assumed operation of the School (after the Sponsor provides any required due process to such employees if they are not terminable at-will).
- (5) Any unencumbered public funds from the charter school, any District School Board property and improvements, furnishings, and equipment purchased with public funds, or financial or other records pertaining to the charter school, in the possession of any person, entity, or holding company, other than the charter school, shall be held in trust upon the District School Board's request, until any appeal status is resolved.
- (6) If the School prevails in an appeal to the State Board of Education, the Sponsor shall, within three (3) business days, return keys, security codes, and the facility itself to the School. In that case, the School's employees will continue as employees of the School, and the governing board of the School shall resume operation and oversight of the School. However, since the issue on

appeal shall be limited to whether there exists grounds for the immediate termination of the charter, the charter Contract may still be non-renewed or terminated upon ninety (90) days notice ,pursuant to section II.C, if the School fails to timely correct any deficiencies noted by the Sponsor.

- (7) If the School appeals to the State Board of Education and is not successful in the appeal (or if the School does not timely file an appeal), the Sponsor shall allow the School's governing body to retrieve any personal belongings of its members from the school, but all property and improvements, furnishings, and equipment purchased with public funds shall automatically revert to full ownership by the District School Board, subject to complete satisfaction of any lawful liens or encumbrances; and the charter school shall be dissolved pursuant to Fla. Stat. § 1002.33(8)(e).

F. POST-TERMINATION MATTERS.-- In cases of non-renewal or termination of the Contract, the School shall be dissolved under the provisions of law under which the School was organized. Student records shall be turned over to the Sponsor; and copies of all administrative, operational, and financial records of the School shall be provided to the Sponsor on the date the termination/non-renewal takes effect.

- (1) In the event of charter termination, any property, improvements, furnishings, and equipment purchased with public funds shall automatically revert to the Sponsor (subject to any lawful liens and encumbrances). If the School's accounting records fail to clearly establish whether a particular asset was purchased with public funds or non-public funds, then it shall be presumed public funds were utilized and ownership of the asset shall automatically revert to the Sponsor. Property and assets purchased with public funds shall be defined as those goods purchased directly with grants and funds provided by a governmental entity. Property and assets purchased by an educational management organization in conjunction with operating the School shall not be deemed purchased with public funds.
- (2) In case of termination or non-renewal of the Contract, the School shall be responsible for all the debts of the School. The Sponsor may not assume the

debt from any contracted services made between the governing body of the School, the management company (if applicable), and/or third parties, except for a debt that is previously detailed and agreed upon (in writing and executed with the same formalities as set forth in this Contract) by both the Sponsor, the governing body and/or management company (if applicable).

- (3) In case of termination or non-renewal of the Contract, the School agrees that the Sponsor shall have, for a period not to exceed 30 days subsequent to termination or non-renewal, the right of first refusal to secure the lease on, or purchase or possession of the facilities as described in Section V of the Contract.

III. ACADEMIC ACCOUNTABILITY

- A. The School agrees to implement its educational and related programs as specified in the School's approved application (Appendix A) setting forth the School's curriculum, the instructional methods, any distinctive instructional techniques to be used, and the identification and acquisition of appropriate technologies needed to improve educational and administrative performance, which include a means for promoting safe, ethical, and appropriate uses of technology which comply with legal and professional standards. The School ensures that reading is a primary focus of the curriculum and that resources are provided to identify and provide specialized instruction for students who are reading below grade level. Further, the curriculum and instructional strategies for reading shall be consistent with the Sunshine State Standards and are grounded in scientifically-based reading research. Updates, revisions, and/or changes to the curriculum programs described in the application and as requested by the Sponsor as a condition of the application's approval are incorporated as part of the approved application included as Appendix A. The Sponsor's Limited English Proficiency Plan, with which the School must comply, is included in Appendix D.
- B. In the first year prior to the School's opening, the School agrees to adopt and implement, with fidelity, the Sponsor's K-12 Comprehensive Research-Based

Reading Plan (CRRP) unless it has chosen to “opt-out” and use an alternate FLDOE-approved core reading plan.. The school shall provide to the Sponsor any alternate FLDOE-approved core reading plan, in its entirety, in the year prior to the School’s opening.

- C. In the first year of the Contract, the School shall develop a School Improvement Plan based on the goals and objectives identified in the School’s application as referenced in Appendix A.
- D. The School agrees to the baseline standard of achievement, the outcomes to be achieved, and the methods of measurement that have been mutually agreed upon in the School Improvement Plan submitted annually to the Sponsor. This Contract may be terminated by the Sponsor if insufficient progress has been made towards the goals and outcomes designated in the School Improvement Plan. Pursuant to requirements of the State Board of Education, the School shall be terminated if the School receives a state-designated grade of “F” in two consecutive years of any four year period. The School may be non-renewed or terminated if the School fails to make AYP for five consecutive years in accordance with the provisions of the NCLB.
- E. In addition to evaluating the School’s success in achieving the objectives stated in the School Improvement Plan, the School will be held accountable for meeting the state’s student performance requirements as delineated in State Board of Education Rule 6A-1.09981, *Implementation of Florida’s System of School Improvement and Accountability*, based on Fla. Stat. §§ 1001.02, 1008.33, and 1008.345.
- F. The methods used to identify the educational strengths and needs of students and the educational goals and performance standards are set forth in the School’s approved application. This accountability criterion shall be based upon the assessment systems of the School, the Sponsor, and the State.
- G. In accordance with state law and the Sponsor’s rule, students at the School will participate in all state assessment programs and in all district assessment programs in which the District students in comparable grades/schools participate. All School personnel involved with any aspect of the testing process must have knowledge of

and abide by state and Sponsor policies, procedures, and standards regarding test administration, test security, test audits, and reporting of test results. To facilitate this participation, the Sponsor will provide to applicable school staff all services/support activities that are routinely provided to the Sponsor's staff regarding implementation of District and state-required assessment activities, e.g., procedures for test administration, staff training, dissemination and collection of materials, monitoring, scoring, analysis, and summary reporting. If a SPED student's Individual Education Plan (IEP) indicates an alternate assessment, in lieu of full/partial participation in a state assessment, the School will facilitate the alternate assessment and comply with state reporting procedures.

- H.** The School agrees to utilize data provided through its participation with the Sponsor in electronic data processing systems pertaining to admissions, registration, and student records.
- I.** The School agrees to allow the Sponsor reasonable access to its facilities and records to review data sources, including collection and recording procedures, in order to assist the Sponsor in making a valid determination about the degree to which student performance requirements have been met as stated in the Contract, and required by Fla. Stat. §§ 1008.31 and 1008.345.
- J.** As Fla. Stat. § 1002.33 requires the Sponsor to provide to the State Board of Education and the Commissioner of Education an analysis and comparison of the overall performance of the School's students, the parties agree that the Sponsor will utilize results from the state and district required assessment programs referenced in this Contract and the data elements to be included in the annual report which the School is required to submit pursuant to Fla. Stat. § 1002.33(9)(l).
- K.** The Sponsor shall ensure that the School's program is consistent with the state education goals established by Fla. Stat. § 1000.03(5).
- L.** In secondary charter schools, the School shall establish a method for determining that a student has satisfied the requirements for graduation in Fla. Stat. §§ 1003.43 and 1008.25 and shall inform the Sponsor of this method at least one month prior to the beginning of the first school year of operation.

- M.** The School shall use records and grade procedures that adequately provide the information required by the Sponsor. The Sponsor has designated Pinnacle from Excelsior Systems, Inc. to be the supported grade book system for the District. The School shall use records and grade procedures that adequately provide the information required by the Sponsor. These procedures may be an alternative grading and recording system, but the system must be in accordance with the State's reporting guidelines and be approved by the Sponsor. If the school chooses to use an application other than Pinnacle, or the system in use by the Sponsor, they will be responsible for data entry directly into ISIS for both daily attendance and quarterly grades. Schools that opt for an alternative grade book system will not be able to upload grade or attendance data to Information Technology Services (ITS) department. Schools not uploading will be required to have a documented procedure in place for communicating attendance and grades to the data entry clerk. Non-Pinnacle schools, or schools who opt to use an alternative grade book system, will be required to provide some form of prior year electronic audit trail. No ITS support will be provided for schools that do not use Pinnacle, or the designated system.
- N.** The School shall follow the Sponsor's Elementary School Academic Programs Course Codes and/or Miami-Dade County Public Schools Authorized Courses for Secondary Schools, as appropriate.
- O.** The School shall provide each student with a current textbook or other current instructional materials in each core course, including but not limited to, mathematics, language arts, science, social studies, reading, and literature for kindergarten through grade 12, pursuant to Fla. Stat. §1006.40(2)(a). Provision of such materials must be made within the first 2 years of the effective date of the State's textbook adoption cycle. Unless specifically provided for in the General Appropriations Act, if these materials are purchased, the cost of instructional materials purchases, required by this paragraph, shall not exceed the amount of the School's allocation for instructional materials for the previous 2 years, pursuant to § 1011.67.
- P.** The School will maintain both active and archival records for current/former students in accordance with Fla. Stat. §§ 1003.25 and 1002.22 and State Board of Education

Rule 6A-1.0955.

- Q.** All permanent cumulative records (both Category A, Permanent Information, and Category B, Temporary Information) of students leaving the School, whether by transfer to a traditional public school within the school system, or withdrawal to attend another charter school, shall be transferred upon receipt of an official request from a receiving Miami-Dade County public school or a charter school sponsored by The School Board of Miami-Dade County, Florida. The School may retain copies of the departing student's academic records created during the student's attendance at the School.
- R.** Upon termination of a student's enrollment at the School, all permanent cumulative records (both Category A, Permanent Information, and Category B, Temporary Information) of students leaving the School, but not transferring to a Miami-Dade County public school or a charter school sponsored by The School Board of Miami-Dade County, Florida, shall be hand-delivered to the Sponsor's Department of Records and Forms Management. Proof of delivery shall be provided to the Sponsor within five (5) business days. The School may retain copies of the departing student's academic grades and attendance during the student's enrollment at the School.
- S.** The School shall transmit to the Sponsor's Department of Records and Forms Management, a listing of the types of Category A and B educational records pursuant to State Board of Education Rule 6A-1.0955 and the procedures from the Division of Student Services as stipulated in the Student Educational Records manual. This report shall be transmitted each year prior to July 1.
- T.** Special Education (SPED) students shall be provided with programs and services implemented in accordance with federal, state and local policies and procedures; and, specifically, the IDEA, Section 504 of the Rehabilitation act of 1973, and Fla. Stat. §§ 1000.05, 1003.57, 1001.42(4)(1), and 1002.33, and Chapter 6A-6, Florida Administrative Code. The School will be responsible for the delivery of all educational, related services and equipment indicated on the student's Individual Education Plan (IEP), or Educational Plan (EP) in the case of students who are

Gifted. Related services and equipment, e.g., speech/language therapy, occupational therapy, physical therapy, counseling, assistive technology devices and therapeutic equipment must be provided by the School's staff or paid for by the School through contract. The Sponsor will have the responsibility of conducting the evaluation of students referred for potential Special Education and Gifted placement and for the re-evaluation of SPED students in accordance with federal and state mandates. The School may obtain private evaluations of students at the School's expense. These evaluations may be considered in determining eligibility but will not necessarily substitute for an evaluation conducted by the Sponsor's personnel in a manner and timeframe consistent with that of all of the other Sponsor's schools. If it is determined by an IEP committee that a SPED student's needs cannot be met at the School, the Sponsor will take steps to secure another placement for the student in accordance with federal and state mandates. A representative of the Sponsor will participate in all initial IEP meetings and those IEP meetings where a significant change of services or placement may be considered and shall serve as the Local Educational Agency (LEA) Representative when present at an IEP meeting. However, the administrator in charge at the School will serve as the LEA Representative at ordinary annual and interim IEP and EP meetings, which the School shall conduct.

- U. The Sponsor will conduct the initial evaluation of the School's students who have been referred for physical and occupational therapy and speech and language services. After the student is determined eligible for SPED services and the initial IEP is written, the School shall be responsible for providing the physical and occupational therapy and speech and language services to the student. The School shall ensure that physical and occupational therapists providing services to the student review the student's initial IEP, reassess the student, and develop goals, benchmarks and a treatment plan for the student. The School shall ensure that speech and language therapists review and implement the student's initial IEP. The School shall ensure that the physical and occupational therapists and speech and language therapists providing services to the student attend the student's annual and interim IEP meetings. The student's IEP goals and benchmarks related to these areas

are to be updated by the student's treating therapists based upon their reevaluation of the student. The School agrees to require physical and occupational therapists providing services to the student to attend orientation and in-service training on how to develop goals and benchmarks based upon educational theory. The Sponsor agrees to provide that orientation and in-service training. The Sponsor agrees to conduct periodic checks on, and review of, the paperwork prepared by the occupational and physical therapists providing services to such students. The School shall comply with the requirements of the IDEA as it relates to the student's IEP, and the appropriate instructional personnel of the School shall attend all IEP meetings.

- V. Special Education students will be educated in an inclusionary, least-restrictive environment as outlined in Appendix E, Policies and Procedures for the Provision of Specially Designed Instruction and Related Services for Exceptional Students. It is the professional responsibility of educators to place students in an environment where they can flourish. Those students whose needs cannot be adequately addressed at the School as determined by an IEP committee, will be appropriately referred, and the School staff will work together with the Sponsor's personnel to ensure that the needs of these students are met. The School's staff will work closely, and as early as possible in the planning/development stages, with the Sponsor to discuss the services needed by the School's students.
- W. A student, parent, or guardian who indicates at an IEP or EP meeting that they wish to file for a Due Process Hearing, in accordance with Fla. Stat. § 1003.57 and State Board of Education rule 6A-6.03311 will be given the appropriate forms by the staffing specialist or other appropriately designated person attending the IEP meeting. A student, parent, or guardian at the School wishing to file for a Due Process Hearing shall file their request with the Sponsor's Clerk of the School Board. As soon as a request for Due Process Hearing is filed, the Sponsor shall inform the School and will select and assign an attorney from a pool of qualified outside counsel, chosen through a Request for Proposals (RFP) process, to represent the School. The School is responsible for scheduling resolution and mediation meetings as required under state and federal law. The Sponsor is responsible for ensuring that the Due Process Hearing is conducted in accordance with Fla. Stat. § 1003.57 and

State Board of Education rule 6A-6.03311. The Sponsor is responsible for ensuring that a final decision in the Due Process Hearing is reached and that a copy of the decision is mailed to the parties in accordance with applicable federal and state laws. In the event a student, parent, or guardian files a request for a Due Process Hearing in accordance with Section 615 of the IDEA, Fla. Stat. § 1003.57, and State Board of Education rule 6A-6.03311, involving the provision of education and related services to a student with disabilities at the School, the School shall bear all the costs associated with the hearing, including legal representation. In the event that the student, parents or guardians are the prevailing party, any and all attorneys' fees and costs awarded to the prevailing party will be paid by the School.

- X.** Under the Medicaid Certified School Match Program, the School may be eligible to seek reimbursement for certain services provided to Medicaid-eligible students who qualify for services under the IDEA, Part B or C. In order to seek reimbursements, the School agrees to follow the procedures established for Medicaid-reimbursable services to eligible students at the School as outlined in Appendix F, attached and incorporated into this Contract by reference.
- Y.** Students at the School who are English Language Learners (ELL) will be served by English for Speakers of Other Languages (ESOL) certified personnel who will follow the Sponsor's Limited English Proficiency Plan. The Sponsor's plan, which meets the requirements of the *League of United Latin American Citizens (LULAC) et al. v. State Board of Education* Consent Decree, is attached as Appendix D.^o
- Z.** The School will adopt the Sponsor's Student Progression Plan (SPP), which is attached as Appendix G. The SPP is a document that is revised yearly; therefore the School agrees to implement the SPP in effect for the current operational year. Notwithstanding the above acceptance of the Sponsor's SPP, the School and the Sponsor may agree to any additional reasonable exemptions from the SPP the School may request. Any failure to agree on exemptions shall not be considered a dispute.
- AA.** The School will adopt the Sponsor's "Policies for Promoting and Maintaining a Safe Learning Environment," which is attached as Appendix H. Notwithstanding the above acceptance of the Sponsor's "Policies for Promoting and Maintaining a Safe

Learning Environment,” the School and the Sponsor may agree to any reasonable exemptions from the “Policies for Promoting and Maintaining a Safe Learning Environment” the School may request. Any failure to agree on exemptions shall not be considered a dispute.

BB. The School agrees to obtain and maintain applicable certification/accreditation for its educational program in order to ensure transferability of courses completed by the students at the School.

CC. The School agrees to utilize the CSCMS or any other web-based software or reporting procedure implemented by the Sponsor in order to maintain accountability with the Charter School Benchmarks and document compliance with contractual requirements (Appendix I).

IV. STUDENTS

A. DEFINITION OF STUDENTS. -- The School shall be open to any student residing in Miami-Dade County and to students in other districts with which inter-district agreements exist.

B. ENROLLMENT. – The School will be open to students in Kindergarten through grade eight (approximately 5-14 years of age) who would qualify to attend a traditional public school in Miami-Dade County. It is expected to have a racial/ethnic population reflective of the community it will serve. The School will not discriminate on the basis of race, religion, or national or ethnic origin in the admission of students.

(1) Following is the student enrollment breakdown by year:

(a) Year 1: 2009-2010 – Grades K to 8 - up to 675 students

(b) Year 2: 2010-2011 – Grades K to 8 - up to 675 students

(c) Year 3: 2011-2012 – Grades K to 8 - up to 675 students

(d) Year 4: 2012-2013 – Grades K to 8 - up to 675 students

(e) Year 5-10: 2013 -2019 – Grades K to 8 - up to 675 students

(2) The aforementioned enrollment capacity will be contingent on the student capacity as stated on the valid Certificate of Occupancy (CO), Certificate of Use (CU), and

Fire Permit for the school facility issued by the local governmental agency in whose jurisdiction the facility is located. Monthly payments shall not be paid for students in excess of the School's enrollment capacity, as defined by the valid CO, CU, or Fire Permit, nor in excess of the projected enrollment for the school year as defined in Subsection IV.B. of this Contract.

- C. BALANCE.**-- Pursuant to Fla. Stat. § 1002.33(7)(a)8 & (15)(b), the parties agree that the School shall strive to achieve a racial/ethnic balance reflective of the community it serves or within the racial/ethnic range of other public schools in the school district. The School shall ensure that its admissions policies shall be nonsectarian.

D. ENROLLMENT PROCESS

- (1)** The promotional plan to be followed in publicizing the school will be designed to reach the entire community and, accordingly, all racial/ethnic groups within it. The school will implement a community awareness plan that will target area elementary schools, area communities and homeowner associations, and City of Homestead residents via City Council Newspaper. The school will provide copies of its promotional materials and announcements in English, Spanish, and Creole to local community organizations to make sure that "hard-to-reach" families (e.g. single-parent families, low socio-economic households, etc.) are aware of the school and their eligibility to apply for enrollment. The School shall enroll any eligible student who submits a timely application. Pursuant to Fla. Stat. § 1002.33(10)(b), if the number of applications exceeds the capacity of a program, class, grade level, or building, those applicants shall be given an equal chance of being admitted through a random selection process. If the number of applicants is below the desired number of students, the School reserves the right to extend the application deadline, provided sufficient notice is given.
- (2)** Pursuant to Fla. Stat. § 1002.33(10)(d), the School shall give enrollment preference to a sibling of a student enrolled in the School or to the child of an employee or member of the governing board of the School.
- (3)** Informational meetings will be held to inform interested parents/guardians of

the mission of the School, the registration process, and required contractual obligations. The School will provide this information to parents/guardians in English as well as in other languages (e.g., Spanish and Haitian Creole).

- (4) Students residing in neighboring counties would be eligible to attend the School under the inter-district agreement provisions provided for in Fla. Stat. § 1002.33(10)(a) or as currently allowed between Miami-Dade and neighboring counties' School Boards.
- (5) To enroll a student, the School must obtain proof of consent from the student's parent or guardian, or from the student if the student is eighteen (18) years of age or older.
- (6) The School must maintain a record of all the students who apply to the School, whether or not they are eventually enrolled. The information shall be made available to the Sponsor upon request.
- (7) The School's capacity shall be determined annually by the governing board, in conjunction with the Sponsor, in consideration of the factors contained in Fla. Stat. § 1002.33(10). At no time shall the School's enrollment exceed the maximum capacity established by the School site's Certificate of Occupancy, Certificate of Use, or Fire Permit.

E. WITHDRAWAL OR TRANSFER OF STUDENTS.-- The School may not withdraw or transfer a student involuntarily, unless the withdrawal or transfer is accomplished through established administrative procedures mutually agreed upon in this Contract, or through existing administrative procedures in the Sponsor's Board Rules. Only the Sponsor School Board may expel a student. A student may voluntarily withdraw from the School at any time and enroll in another public school.

F. DISCIPLINE

- (1) The School agrees to maintain a safe learning environment at all times. In order to provide criteria for addressing discipline issues that will ensure the health, safety and welfare of all students attending the School, the School will adopt and follow the Sponsor's Code of Student Conduct, which is attached as Appendix J. Students who attend Somerset Grace Academy and their

parents/guardians will enter into contracts with the School. Such contracts will detail the responsibilities that staff members, students, and parents/guardians are expected to fulfill. If parents/guardians or students do not meet these obligations, it will be recommended that the student attend another school. If necessary, the School will pursue the withdrawal or transfer through administrative procedures established under the Sponsor's Board Policy, but administered by School personnel. For compliance with SPED student discipline procedures the School must refer to Procedures for Promoting and Maintaining a Safe Learning Environment, which is attached as Appendix H.

- (2) Notwithstanding the above acceptance of the Sponsor's Code of Student Conduct, the School and the Sponsor may agree in writing for the School to have reasonable amendments to the Code. All proposed amendments to the Code shall be submitted in advance to the Sponsor for approval.
- (3) The School agrees that it shall not engage in the corporal punishment of its students.

G. EXTRACURRICULAR ACTIVITIES.-- The School's students may participate in extracurricular activities in accordance with the provisions of Fla. Stat. § 1002.33(11).

V. FINANCIAL ACCOUNTABILITY

A. ADMINISTRATIVE MANAGEMENT

- (1) The School's financial activities and reporting of same will be subject to the Florida Department of Education (DOE) Technical Assistance Notes (TAN) 99-09, 2000-05, and 2001-05, incorporated into this Contract as Appendix K, as well as any subsequently issued directives by the State and other applicable Governmental Accounting Standards.
- (2) The School agrees to provide reasonable proof of the ability to fund the initial startup and the on-going operation of the School.
- (3) The governing board of the School shall provide to the Sponsor, by August 20 of each year, an updated annual budget for review. This budget shall include

projected sources of revenue, both public and private, and planned expenditures covering the entire school year.

- (4) Florida Education Finance Program (FEFP) Payments.** -- The Sponsor shall calculate and submit twelve (12) monthly payments to the School. The first payment will be made by July 31. Subsequent payments will be made by the 15th of each month beginning with August 15.
- (a)** In order to provide educational materials for students when classes begin, the first payment shall include 75% of the full annual allocation of instructional materials based on prior year membership, or based on enrollment as of June 30, in the case of a new school.
 - (b)** Payments shall be adjusted for any amounts due the Sponsor for services provided and/or expenditures incurred on behalf of the School during the current or previous year, as well as for administrative oversight.
 - (c)** Late payments are subject to interest at the rate of 1% per month calculated on a daily basis until paid.
 - (d)** Monthly payments shall not be paid for students in excess of the School's enrollment capacity as indicated in Subsection IV.B. of this Contract, and by the School facility's valid capacity as determined by the School's Certificate of Occupancy, Certificate of Use, or Fire Permit (whichever is less). In the event that the required county and/or municipality facility permits do not indicate a facility capacity, the School must submit a letter from the architect of record certifying the capacity of the facility.
 - (e)** The Sponsor shall withhold monthly payments if the School's Certificate of Occupancy, Certificate of Use or Fire Permit has expired or has otherwise become invalid.
- (5) Capital Outlay Payments.** -- The Sponsor shall make timely and efficient payment to the school upon receipt of all required supporting documentation.
- (6)** Any administrative fee withheld by the Sponsor shall be limited to five percent (5%) of available funds for the first 500 students as defined in Fla. Stat. §

1002.33(20)(a) not including capital outlay funds, federal and state grants, or any other funds, unless explicitly provided by law. If the school has a population of 501 or more students, the difference between the total administrative fee calculation and the amount of the administrative fee withheld may be used for capital outlay purposes specified on Fla. Stat. § 1013.62(2). Access by the School to services not required by legislation, but available through the Sponsor, may be negotiated separately by the parties.

- (7) The School will contract separately with a private agency or the Sponsor to provide food service. Responsibilities for providing food and related services and meeting reporting requirements will be assumed by the School, with the exception of the services related to eligibility and reporting duties required under the federal lunch program, if requested by the School.
- (8) The School shall utilize the standard state codification of accounts as contained in the DOE's Financial and Program Cost Accounting and Reporting for Florida Schools (Red Book), as a means of codifying all transactions pertaining to its operations. The accounting for federal, state and local funds shall be maintained according to existing guidelines, mandates, and practices, i.e., separate funds and bank accounts for federal, state, and local funds as required under applicable statutes.
- (9) The School shall provide quarterly financial statements to the Sponsor, which shall include a balance sheet and a statement of revenues and expenditures and changes in fund balances prepared in accordance with Generally Accepted Accounting Principles in a format, as specified in paragraph (8) herein above, to include a detail of all revenue and expenditure activities relating to its operations, and file the appropriate reports with the respective state and federal agencies. In the event the School elects to follow generally accepted accounting standards for not-for-profit organizations, the financial information shall be reformatted for reporting purposes as specified in paragraph (8) herein above. Submission of the quarterly financial statements shall be within thirty (30) days of the end of each quarter.

- (10) If the School's quarterly financial statements reveal a deficit position, the Sponsor shall require the School to submit a detailed financial recovery plan to address the deficit, including Bank Reconciliation Statements and Monthly Detailed General Ledger Reports. Failure to timely submit quarterly financial reports shall constitute a material breach of this Contract and may result, at a minimum, in the Sponsor's withholding of subsequent payments to the School without penalty of interest as described in Section V(A) of this Contract, until the breach is cured.
- (11) The School shall provide the Sponsor with annual financial reports including a management letter, as of June 30 of each year for inclusion in the Sponsor's financial statements. These reports shall include a complete set of annual financial statements and notes thereto, prepared in accordance with Generally Accepted Accounting principles and reflecting the detail of revenue sources and expenditures by function and object at a level of detail that allows for analysis of the ability to meet financial obligations and timely repayment of debt. In addition, if a non-profit entity was created for the purpose of operating the School and the School is not part of a pre-existing non-profit organization or municipality, generally accepted accounting principles require that the financial activities be accounted for using the governmental accounting model applicable for state and local governments and their component units, as per Government Accounting Standards Board (GASB) statement 34. The following timeline must be adhered to for submitting the School's financial reports:
- (a) UNAUDITED STATEMENTS: NO LATER THAN AUGUST 1 OF EACH YEAR.
 - (b) AUDITED STATEMENTS: NO LATER THAN SEPTEMBER 1 OF EACH YEAR. As defined in School Board Rule 6Gx13-6A-1.471, No later than May 1 of each year, the Charter School must formally notify the Sponsor of the name, address and phone number of the auditor engaged to perform the year end audit.

(12) An annual financial audit, required by Fla. Stat. § 218.39, requested and paid for by the School, shall be performed by a licensed Certified Public Accountant. The audit shall be performed in accordance with Generally Accepted Auditing Standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General, State of Florida, incorporated into this Contract as Appendix M and in accordance with the requirements specified in the Audit Completion Checklist attached as Appendix N.

(a) The School further agrees to provide the Sponsor with eight (8) copies of such audit and the corresponding responses to the findings, which shall be bound together in one complete report. In addition, two copies of the audit report must be submitted to the Auditor General within forty-five (45) days after delivery of the audit report to the School's governing body.

(b) Financial audits that reveal a state of financial emergency as defined in Fla. Stat. § 218.503 and are conducted by certified public accountant or auditor in accordance with Fla. Stat. § 219.39 shall be provided to the governing body of the charter school within 7 working days after finding that a state of financial emergency exists. When a charter school is found to be in a state of financial emergency by a certified public accountant or auditor, the charter school must file a detailed Financial Recovery Plan with the sponsor within 30 days after receipt of the audit. Failure to timely submit a Financial Recovery Plan following a finding of financial emergency constitutes good cause to terminate this contract.

(c) The Financial Recovery Plan submitted by the charter school to the Sponsor in response to a finding of financial emergency pursuant to Fla. Stat. § 218.503 must address the specific audit findings and must also show how the charter school will meet its current and future obligations and be a financially viable entity within the time period specified in the approved Financial Recovery Plan.. The Financial Recovery Plan must

specify dollar amounts or cost cuts, cost avoidance, and/or realistic revenue projections that will allow the charter school to correct the condition(s) that caused the school to be found in a state of financial emergency. The Financial Recovery Plan must include appropriate supporting documentation. The financial recovery plan will be reviewed by the Sponsor pursuant to School Board Rule 6Gx13-6A-1.471. If the financial recovery plan submitted by the charter school is deemed unacceptable by the Sponsor, this contract may be terminated.

- (d) In the event of a finding of financial emergency and submission of an acceptable Financial Recovery Plan pursuant to Fla. Stat. § 218.503, the charter school shall provide periodic financial reports to the school's governing board and the Sponsor in a format sufficient to monitor progress toward achieving the Financial Recovery Plan. Failure to provide such periodic progress reports could result in termination of this contract.
- (13) Failure of the School to comply with the timely submission of all financial statements in the required format specified by the Sponsor, shall constitute a material breach of this Contract and will result in the Sponsor's withholding of subsequent payments to the School without penalty of interest as described in Section V.(A) of this Contract.
- (14) The Sponsor reserves the right to perform additional audits at its expense as part of the Sponsor's financial monitoring responsibilities as it deems necessary.
- (15) A cumulative listing of all property purchased with public funds, i.e., FEFP, grant, and any other public-generated funds, and a cumulative listing of all property purchased with private funds, will be submitted yearly along with the annual audited financial statements. These lists will include: (1) date of purchase; (2) item purchased; (3) cost of item; and (4) item location.
- (16) Pursuant to Fla. Stat. § 1002.33(12)(i), the School shall organize as, or be operated by, a nonprofit organization. If the School has been granted tax-

exempt status, the School will provide the Sponsor with a copy of correspondence from the Internal Revenue Service (IRS) granting tax-exempt status as a section 501(c)(3) organization. The School also will annually provide the Sponsor a copy of its Form 990, Return of Organization Exempt from Income Tax, and all schedules and attachments, within fifteen (15) days of filing with the IRS. If the IRS does not require Form 990 to be filed, the School will provide the Sponsor with written confirmation from the IRS of such non-requirement. Notwithstanding anything set forth in this Contract, the Sponsor does not covenant to extend or pledge its own tax-exempt status in any way for the use and benefit of the School.

- (17) Funding for student enrollment in the School shall be the sum of district operating funds from the Florida Education Finance Program (FEFP), including gross state and local funds, discretionary lottery funds, and discretionary operating millage funds divided by total district funded weighted full-time equivalent (WFTE) students times the weighted full-time equivalent students of the School. If eligible, the School shall also receive its proportionate share of categorical program funds included in the FEFP. The School shall provide the Sponsor with documentation that categorical funds received by the School were expended for purposes for which the categoricals were established by the Legislature.
- (18) The Sponsor may initially calculate monthly distributions to the School for up to four (4) months based on the School's actual enrollment as of June 30, or until the results of the October Full-Time Equivalent (FTE) become available. The projected full-time equivalent student membership will be determined by the actual student enrollment at the School at the conclusion of the second week of student attendance. If enrollment at the end of the second week of student attendance is less than 90% of projected enrollment, future monthly distributions shall be proportionally reduced. Thereafter, the results of the FTE student surveys will be used in adjusting the amount of funds distributed monthly to the School.

- (19) Any eligible student enrolled in the School shall be provided federal funds for the same level of service provided other eligible students in the schools operated by the Sponsor, including Title I funding.
- (20) Total funding shall be recalculated during the school year to reflect actual WFTE students reported by the School during the FTE student survey periods. Additionally, funding for the School shall be adjusted during the year as follows:
- (a) In the event of a state holdback or a proration which changes District funding, the School's funding will be adjusted proportionately. The Sponsor will not be responsible for any liabilities incurred by the School in the event of a State holdback.
 - (b) In the event that the District exceeds the State cap for WFTE for Group 2 programs established by the Legislature, resulting in unfunded WFTE for the district, then the School's funding shall be reduced to reflect its proportional share of any unfunded WFTE.
- (21) If the School does not comply with the core reading plan requirements specified in Section III. B. of this Contract, the funds that would have been allocated to the school, by the State and/or Sponsor for reading, shall remain with the Sponsor to serve low performing schools, pursuant to the K-12 Comprehensive Research-Based Reading Plan Guidelines.
- (22) Pursuant to Fla. Stat. § 1002.33(9)(m), the School shall not levy taxes or issue bonds secured by tax revenue.
- (23) If the School is not renewed or is terminated, any public unencumbered funds from the School shall be forwarded to the Sponsor within thirty (30) calendar days. In that event, all School property, improvements, furnishings, and equipment purchased with public funds as defined in Subsections I.(F) and V.(A)(14) shall revert automatically to full ownership by the Sponsor (subject to any lawful liens and encumbrances). If the School's accounting records fail to establish clearly whether a particular asset was purchased with public funds or non-public funds, it will be considered to have been purchased with public

funds and ownership of the asset will revert to the Sponsor.

(24) If the School is not renewed or is terminated, the School is responsible for its debts.

(25) Except for the first payment, which shall be made by July 31, payments shall be made to the School no later than the 15th of each month from August through June. See Appendix O for a sample worksheet for calculating the School's revenues. The Sponsor shall complete this worksheet the second month following the actual FTE survey periods. The following invoice will be prepared by the Sponsor based upon the original revenue worksheet divided by the number of months in the school year until a revised worksheet schedule is completed.

(26) To determine invoice amounts after a revised schedule is complete, the following steps should be performed:

(A) Total Estimated Revenue as of _____

(B) Less 5% Administrative Overhead (_____) (for first 500 students)

(C) Less 5% Administrative Overhead (_____) (for over 500 students)¹

(D) Less Payments to Date to Charter School (_____)

(E) Less Other (describe): (_____) _____

(F) Equals Net Amount Due _____

(G) Divided by Number of Months Remaining _____

(H) Equals Amount this Payment _____
=====

(27) The administrative fee retained by the Sponsor pursuant to this Contract includes, among other things, a fee for academic and financial monitoring

required of the Sponsor by law.

- (28) The parties agree that the Sponsor, with reasonable notice, may request at any time and up to four (4) times a year reports on school operations and student performances and the School shall provide the same in a timely manner, at least within thirty days of receipt of said requests.
- (29) The Sponsor reserves the right to require the School, and the School agrees to, adhere to any additional financial requirements mandated by the Florida Department of Education.
- (30) Any Title I funds allocated to the School must be used to supplement students' greatest instructional needs that have been identified by a comprehensive needs assessment of the entire School and shall be spent in accordance with federal regulations. The academic program funded through Title I shall include Reading, Language Arts, Mathematics and Science. The School's eligibility to receive Title I funds will be based on the percentage of students participating in the Free and/or Reduced Price Lunch Program as determined by the Economic Survey using a predetermined cut-off level established by the Sponsor.
- (31) The per pupil allocation of Title I funds will correlate with the per- pupil allocation of the students' home school. The allocation of Title I Funds shall be made in accordance with the Public Charter Extension Act of 1998 and all corresponding guidance and regulations.
- (32) Any equipment item purchased with Title I funds costing \$1000 or more, which is classified as Capitalized Audio Visual or Equipment, remains the property of Title I. This property must be identified, labeled and made readily available for Title I property audits.
- (33) If the School accepts Title I funds, at least one percent of the Title I funds budget must be spent in support of parental involvement activities.
- (34) The Sponsor's Title I staff will provide technical assistance and support in order to ensure that Title I guidelines are being followed at the School and that students are meeting high content and performance standards.

¹ Funds deducted from Operating Budget and transferred to Capital Outlay Budget must meet criteria for Capital Outlay use.

- (35)** When the funding source requires that the Sponsor serve as the fiscal agent for a grant, the School shall comply with the following procedures:
- (a)** prior to generating any paperwork to the funding agency, the School shall notify Charter School Operations in writing of its intent to submit a grant application;
 - (b)** Charter School Operations will forward the written request, along with the grant application guidelines, to Intergovernmental Affairs and Grants Administration (IGA);
 - (c)** upon receipt of the written request, IGA will prepare the grant application procedures packet and timeline for the School;
 - (d)** IGA will process all application documents requiring the Superintendent's signature; and
 - (e)** in accordance with the established timeline, the School will submit the final application and the appropriate copies to IGA for transmittal to the funding agency.
- (36)** In the event any grantor requires monitoring and/or review by the Sponsor of the School's expenditures pursuant to any grant the School receives, the School agrees to comply within a reasonable time with any and all additional reporting requirements or corrective action prescribed by the Sponsor.
- (37)** In the event that the Sponsor must serve as fiscal agent, and indirect costs are an allowable expense of the grant, the School agrees that the Sponsor will be permitted to retain grant funds in an amount equal to the annually negotiated indirect cost rate as determined by the Florida Department of Education. Indirect costs shall be reflected in the budget of the grant application submitted by the School.
- (38)** If the Sponsor develops a District-wide grant, the School may be included in the District proposal, if mutually agreed to in writing by the School and the Sponsor.
- (39)** When grant proposals are developed by the Sponsor's staff using student or school counts that include the School's students, and the grant is awarded to

the Sponsor, the pro-rata share of the dollars or services received from that grant shall be distributed to the School, if eligible, as defined in the budget developed for the grant.

- (40) The School shall not suggest or represent to third parties, including, but not limited to, vendors, creditors, other business entities or their representatives, governmental entities, or other individuals, that the Sponsor will guarantee payment for any purchases made or debts incurred by the School, nor shall the School represent that the Sponsor will guarantee payment for any loans secured by the School, or that the Sponsor will lend its good faith and credit in order for the School to obtain a loan or other forms of credit. Pursuant to Fla. Stat. § 1002.33(8)(f), “If a charter is not renewed or is terminated, the charter school is responsible for all debts of the charter school. The District may not assume the debt from any contract for services made between the governing body of the school and a third party.”
- (41) The Sponsor will cooperate and assist the School, as required by Florida Statutes, to obtain capital outlay funding for which the School is eligible, if any. Procedures for submitting and approving requests for funding under Fla. Stat. § 1013.62, Charter Schools Capital Outlay Funding, are hereby incorporated into this Contract as Appendix L.

B. REPORTING OF STUDENTS

- (1) In order to facilitate the School’s reporting requirements as reflected in the legislation and in order to provide continuous data for students participating in the School, the parties agree that the School will utilize the Sponsor’s electronic data processing facility and procedures for the processing of student enrollment, attendance, FTE collection, and assessment information. The Sponsor will analyze the School’s facility and develop a hardware/software solution, which provides the School with limited access to the Sponsor’s data processing facility. The School will provide hardware and related infrastructure. There will be no cost to the School for the related installation of software programs.

- (2) The Sponsor will also provide training for the School's personnel in the use of designated District applications necessary to respond to the statutory requirements of Fla. Stat. § 1008.345, including the annual report and the State/District required assessment program. The Sponsor's support for this function will be provided at cost and will not exceed the 5% administrative fee provided in the law. Access by the School to additional data processing applications, materials, or forms not required in the statute, but available through the Sponsor, may be negotiated separately by the parties.
- (3) If the School submits data relevant to FTE funding that is later determined through the audit procedure to be inaccurate, the School shall be responsible for any reimbursement to the State for any errors or omissions for which the School is responsible.

C. FACILITIES

- (1) The School agrees to use facilities that comply with the Florida Building Code, pursuant to Chapter 553, except for State Requirements for Educational Facilities, and the Florida Fire Prevention Code, including reference documents, applicable state laws and rules, and federal laws and rules.
- (2) The School agrees to provide the Sponsor with documentation regarding the School's property interest (owner or lessee) in the property and facility where the School will operate. If the School does not own the property and facility, the School must show proof of a signed lease at least thirty (30) calendar days before the initial opening day of classes. For leased properties, the School shall obtain from the landlord, and provide to the Sponsor, an affidavit indicating the method by which the landlord is complying with the requirements of Fla. Stat. § 196.1983 regarding charter school exemption from ad valorem taxes.
- (3) In the event the School leases its facilities, Lessor and Lessee shall provide the Sponsor with a disclosure affidavit in accordance with § 286.23.
- (4) The School will be located at 624 Anastasia Avenue, Coral Gables, Florida 33134.
- (5) The School shall comply with all applicable laws, ordinances, and codes of

federal, state, and local governance, including the IDEA, the ADA, and section 504 of the Rehabilitation Act. It is expressly agreed that the School shall obtain all necessary licenses, permits, zoning, use approval, facility certification, and other approvals required for use and continued occupancy of the facility as required by the local government or other governmental agencies, and copies shall be provided to the Sponsor.

- (a)** Since charter schools are fully recognized as public schools pursuant to Fla. Stat. § 1002.33(1), the School's operation shall be subject to necessary local government approvals including site plan approval pursuant to Fla. Stat. § 1013.33. Zoning or other land use development orders approving the School use, if issued by the local government entity having jurisdiction over the area where the School property is located, shall satisfy the review requirements of Fla. Stat. § 1013.33.
- (b)** The School further agrees that it shall be responsible for all cost for, or associated with, complying with local ordinances, securing licenses, permits, zoning, use approval, facility certification, and other approvals, including, but not limited to, application fees, advertising costs, surveyor costs, plan review fees, permit costs and licensing costs, and any other additional charges or surcharges by the local government or other governmental agencies.
- (c)** The School will show a valid and current Certificate of Occupancy, and other certificates that are required by the applicable building and fire enforcement authorities, as well as health and sanitation enforcement authorities and including all other enforcement agencies having jurisdiction, at all times during the term of this Contract.
- (d)** The School agrees that at no time during the length of this Contract will the enrollment capacity exceed the number of students permitted by zoning capacity, applicable laws and regulations.
- (e)** If the School fails to obtain all permanent and temporary licenses, permits, use approval, facility certification, and any other approvals as

required by the local government or any other governmental bodies having jurisdiction or present evidence of the ability to obtain the approvals defined above prior to the opening day of classes that can be certified or confirmed by the local government or any other governmental bodies having jurisdiction by at least thirty (30) calendar days prior to the initial opening day of classes, this Contract may, at the sole option of the Sponsor, terminate with no compensation due to the School; however, the application shall remain effective for the following school year.

- (f) If the School fails to maintain valid licenses, permits, use approval, facility certification, and any other approvals as required by the local government or any other governmental bodies having jurisdiction at any time during the term of this Contract, the Sponsor may withhold all subsequent payments to the School until said permits, use approval, or facility certification are obtained.
- (6) In order to clearly maintain the appearance of neutrality toward religion and politics, the School agrees not to affix any religious or partisan political symbols, statues, artifacts, etc., on or about the property and facilities where the School will operate.
- (7) If the School operates in leased facilities, the lease shall be for the term of this Contract, or in lieu thereof, the School shall present a lease with a plan to ensure a facility consistent with Subsection V.(C) subsections (1)-(5) above, for the duration of the Contract.

D. TRANSPORTATION

- (1) The School agrees to provide transportation to the School's students consistent with the requirements of Part I. E. of Chapter 1006, Florida Statutes. The governing body of the charter school may provide transportation through an agreement or contract with a private provider or parents.⁶
- (2) At the discretion of the School's governing body, transportation will be provided through private providers who meet all applicable State and

Sponsor's safety and transportation standards with funds allocated to eligible students. The School may choose to provide transportation to students who live beyond four (4) miles from the School, at its discretion. The School will provide the Sponsor the name of the private transportation provider and a copy of the signed transportation contract at least ten (10) working days prior to the opening day of classes.

- (3) Transportation shall not be a barrier to equal access for all students residing within a reasonable distance, not greater than four (4) miles, from the School as determined in the School's transportation plan in the approved application.
- (4) The rate of reimbursement will be equivalent to the reimbursement rate provided by the State for all eligible transported students within the school district.

E. INDEMNIFICATION

- (1) The School shall indemnify and hold harmless the Sponsor against all claims, demands, suits, or other forms of liability for personal injury, property damage, or violation of civil rights that may arise out of, or by reason of actions of the School and/or its employees, agents, and representatives.
- (2) The School, to the extent immunity may be waived pursuant to Fla. Stat. § 768.28, agrees to indemnify, defend with competent counsel, and hold the Sponsor, its members, officers, and agents, harmless from any and all claims, actions, costs, expenses, damages, and liabilities, including reasonable attorney's fees, arising out of, connected with or resulting from: (a) the negligence of the School's employees, contractors, subcontractors, or other agents in connection with and arising out of their services within the scope of this Contract; (b) disciplinary action or the termination of a School employee; (c) the debts accrued by the School and/or non-payment of same; (d) the School's material breach of this Contract or violation of law; (e) any failure by the School to pay its suppliers or any subcontractors; or (f) personal injury, property damage, or violations of civil rights that may arise out of, or by reason of actions of the School and/or its employees, agents, and representatives.

However, the School shall not be obligated to indemnify the Sponsor against claims, damages, expenses or liabilities to the extent these may result from the negligence of the Sponsor, its directors, officers, employees, and subcontractors. The duty to indemnify for professional liability as insured by the School Leaders Errors and Omissions Liability Policy described in this Contract will continue in full force and effect notwithstanding the expiration or early termination of this Contract with respect to any claims based on facts or conditions which occurred prior to termination. In no way shall the School Leader's Errors and Omissions Liability Policy's three (3) year limitation on post-termination claims of professional liability impair the Sponsor's claims to indemnification with respect to a claim for which the School is insured or for which the School should have been insured under Commercial General Liability Insurance. In addition, the School shall indemnify, defend, and protect and hold the Sponsor harmless against all claims and actions brought against the Sponsor by reason of any actual or alleged infringement of patent or other proprietary rights in any material, process, machine or appliance used by the School.

- (3) The School shall notify the Sponsor of the existence of any third party claim, demand or other action giving rise to a claim for indemnification under this provision (a "third-party claim") and shall give each other a reasonable opportunity to defend the same at its own expense and with its own counsel, provided that the Sponsor shall at all times have the right to participate in such defense at its own expense. If, within a reasonable amount of time after receipt of notice of a third-party claim, the School shall fail to undertake to defend, the other party shall have the right, but not the obligation, to defend and to compromise or settle (exercising reasonable business judgment) the third-party claim for the account and at the risk and expense of the School, which the School agrees to assume. The School or the Sponsor shall make available to each other, at their expense, such information and assistance as each shall request in connection with the defense of a third-party claim.

- (4) The School's indemnity obligations under this provision and elsewhere in the

Contract shall survive the expiration or termination of this Contract.

F. INSURANCE

(1) Evidence of Insurance.-- The School shall provide evidence of liability insurance in the following manner:

- (a)** As evidence of compliance with the insurance required by this Contract, the School shall furnish the Sponsor with fully completed Certificate(s) of Insurance signed by an authorized representative of the insurer(s) providing the coverage, before the initial opening day of classes.
- (b)** The Sponsor shall be notified, in writing by the School, of cancellation of insurance within ten (10) days of the cancellation.
- (c)** Until such time as the insurance is no longer required to be maintained by the School, the School shall provide the Sponsor with evidence of the renewal or replacement of the insurance no less than thirty (30) days before the expiration or termination of the required insurance for which evidence was provided. Failure to comply with this section or to maintain the requisite insurance coverage shall constitute a material breach of this Contract.

(2) Requirements of Insurance.-- Insurers providing insurance required by the School by this Contract must meet the following minimum requirements:

- (a)** (I) authorized by subsisting certificates of authority by the Department of Financial Services of the State of Florida, or (II) an eligible surplus lines insurer under Florida Statutes. In addition, the insurer must have a Best's Rating of "A" or better and a Financial Size Category of "VI" or better, according to the latest edition of Best's Key Rating Guide, published by A.M. Best Company.
- (b)** If, during this period when an insurer is providing the insurance as required by this Contract, an insurer fails to comply with the foregoing minimum requirements, as soon as the School has knowledge of any such failure the School shall immediately notify the Sponsor and promptly replace the insurance with insurance provided by another

insurer meeting the requirements. Such replacement insurance coverage must be obtained within twenty (20) days of cancellation or lapse of coverage.

- (c) Without limiting any of the other obligations or liabilities of the School, the School shall, at the School's sole expense, procure, maintain and keep in force the amounts and types of insurance conforming to the minimum requirements set forth in this Contract. Except as otherwise specified in this Contract, the insurance shall commence prior to the commencement of the opening of the School and shall be maintained in force, without interruption, until this Contract is terminated.

(3) Commercial General Liability Insurance.-- Except as otherwise provided in this Contract, the Commercial General Liability Insurance provided by the School shall conform to the requirements hereinafter set forth:

- (a) The School's insurance shall cover the School for those sources of liability (including, without limitation, coverage for operations, Products/Completed Operations, independent contractors, and liability contractually assumed) which would be covered by the latest occurrence form edition of the standard Commercial General Liability Coverage Form (ISO Form CG 00 01), as filed for use in the State of Florida by the Insurance Services Office.
- (b) The minimum limits to be maintained by the School (inclusive of any amounts provided by an umbrella or excess policy) shall be \$1 million per occurrence/\$3 million annual aggregate.
- (c) Except with respect to coverage for Property Damage Liability, the Commercial General Liability coverage shall apply on a first-dollar basis without application of any deductible or self-insured retention. The coverage for Property Damage Liability may be subject to a maximum deductible of \$1,000 per occurrence.
- (d) The School shall include the Sponsor and its members, officers, and employees as Additional Insured on the required Commercial General

Liability Insurance. The coverage afforded such Additional Insured shall be no more restrictive than that which would be afforded by adding the Sponsor as Additional Insured using the latest Additional Insured - Owners, Lessees or Contractors (Form B) Endorsement (ISO Form CG 20 10). The certificate of insurance shall be clearly marked to reflect "The Sponsor (The School Board of Miami-Dade County, Florida), its members, officers, employees, and agents as Additional Insured."

(4) Automobile Liability Insurance.-- The Automobile Liability Insurance provided by the School shall conform to the following requirements:

- (a)** The School's insurance shall cover the School for those sources of liability which would be covered by Section II of the latest occurrence edition of the standard Business Auto Policy (ISO Form CA 00 01), including coverage for liability contractually assumed, as filed for use in the State of Florida by the Insurance Services Office.
- (b)** Coverage shall be included on all owned, non-owned, and hired autos used in connection with this Contract.
- (c)** The minimum limits to be maintained by the School (inclusive of any amounts provided by an umbrella or excess policy) shall be \$1 million per occurrence, and if subject to an annual aggregate, \$3 million annual aggregate.

(5) Workers' Compensation/Employers' Liability Insurance.-- The Workers' Compensation/Employers' Liability Insurance provided by the School shall conform to the following requirements:

- (a)** The School's insurance shall cover the School (and to the extent its subcontractors and its sub-subcontractors are not otherwise insured) for those sources of liability which would be covered by the latest edition of the standard Workers' Compensation Policy, as filed for use in Florida by the National Council on Compensation Insurance, without restrictive endorsements. In addition to coverage for the Florida Workers' Compensation Act, where appropriate, coverage is to be included for the

Federal Employers' Liability Act and any other applicable federal or state law.

- (b) Subject to the restrictions found in the standard Workers' Compensation Policy, there shall be no maximum limit on the amount of coverage for liability imposed by the Florida Workers' Compensation Act or any other coverage customarily insured under Part One of the standard Workers' Compensation Policy. The minimum amount of coverage for those coverages customarily insured under Part Two of the standard Workers' Compensation Policy shall be: EL Each Accident: \$500,000; EL Disease-Policy Limit: \$500,000; EL Disease-Each Employee: \$500,000.

(6) School Leader's Errors And Omissions Liability Insurance.-- The School shall provide, subject to reasonable commercial availability, the School Leader's Errors and Omissions Liability Insurance conforming to the following requirements:

- (a) The School Leader's Errors and Omissions Liability Insurance shall be on a form acceptable to the Sponsor and shall cover the School for those sources of liability typically insured by School Leader's Errors and Omissions Liability Insurance such as School Leader's Errors and Omissions Liability Insurance policies offered by The National Union Fire Insurance Company of Pennsylvania, arising out of the rendering or failure to render professional services in the performance of this Contract, including all provisions of indemnification, which are part of this Contract.
- (b) The insurance shall be subject to a maximum deductible not to exceed \$25,000 per claim.
- (c) If the insurance is on a claims-made basis, the School shall maintain, without interruption, the Professional Liability Insurance until three (3) years after termination of this Contract.
- (d) The minimum limits to be maintained by the School inclusive of any amounts provided by an umbrella or excess policy, shall be \$1 million

per claim/annual aggregate.

(7) Property Insurance

- (a)** If the School is the owner and/or has a mortgage on the school site location, the School shall furnish on a form acceptable to the Sponsor, Property Insurance for the “Building” which is to include the structure as described in Section V.(C), Facilities, including permanently installed fixtures, machinery and equipment, outdoor fixtures, and personal property to service the premises. If the building is under construction, the School shall provide evidence of property insurance for the additions under construction and alterations, repairs, including materials, equipment, supplies, and temporary structures within 100 feet of the premises.
- (b)** In addition, the School shall provide evidence of business personal property coverage to include furniture, fixtures, equipment, and machinery used in the School.
- (c)** If the School leases the site location, then the School shall provide on a form acceptable to the Sponsor no later than thirty (30) calendar days prior to the opening of school, evidence of business personal property insurance, to include furniture, fixtures, equipment and machinery used in the School.

(8) Applicable to All Coverages

- (a)** The insurance provided by the School shall apply on a primary basis and any other insurance or self-insurance maintained by the Sponsor or its members, officers, employees or agents, shall be in excess of the insurance provided by or on behalf of the School. Except as otherwise specified, the insurance maintained by the School shall apply on a first-dollar basis without application of deductible or self-insurance retention. Compliance with the insurance requirements of this Contract shall not limit the liability of the School, its subcontractors, its sub-subcontractors, its employees or its agents to the Sponsor or others. Any remedy

provided to the Sponsor or its members, officers, employees or agents by the insurance shall be in addition to and not in lieu of any other remedy available under the Contract or otherwise.

- (b) The School shall require its subcontractors and its sub-subcontractors to maintain any and all insurance required by law. Except to the extent required by law, this Contract does not establish minimum insurance requirements for subcontractors or sub-subcontractors.
- (c) Neither approval by the Sponsor nor failure to disapprove the insurance furnished by the School shall relieve the School of the School's full responsibility to provide the insurance as required by this Contract. The School shall be in default of this Contract for failure to maintain such insurance as required by this Contract.

VI. GOVERNANCE STRUCTURE

- A. The Governing Board of Somerset Academy, Inc. is the ultimate policy-making body that determines the academic direction, curriculum, and operation of the school. The school principal, hired by the board, will be responsible for all aspects of school operations within the scope of operating policy and budgetary approval by the Governing Board. The school's faculty and staff will report directly to the principal, who reports to the Governing Board of Somerset Academy, Inc.
- B. As stated in the By-Laws of the Articles of Incorporation (Appendix P), the Corporation shall be a non-membership organization, and a board of directors, chaired initially by Mr. Victor Barroso, shall manage its activities and affairs. Voting shall control the Corporation, and only directors shall vote. The officers shall consist of a president, a vice president, a treasurer, and a secretary. The Corporation's board of directors shall, according to their by-laws, initially select the governing board of the School. Members of the board of directors may serve on the governing board.
- C. The School's governing board shall be solely responsible for the operation of the school and exercise continuing oversight over the School's operations. The School's governing board will define and refine policies regarding educational philosophy,

and oversee assessment and accountability procedures to assure that the School's student performance standards are met or exceeded.

- D.** The School's governing board will be diverse and provide a broad-based coalition of parents/guardians, educators, community activists, academicians, and professionals. Board members will possess special skills, talents, and expertise that will support the educational and moral development of the School's students.
- E.** The School's governing board will be held accountable to its students, parents/guardians, and the community at large, through a continuous cycle of planning, evaluation, and reporting set forth in Fla. Stat. § 1002.33.
- F.** The School's governing board, in consultations with School staff, will be responsible for the over-all policy decision making of the School, to include creating/adjusting the curriculum and developing and adopting an annual budget.
- G.** Pursuant to Fla. Stat. § 1002.33(12)(g), the School's governing board members shall be fingerprinted by the Sponsor prior to the approval of the School's Contract. Board members appointed to the governing board after the approval of the School's Contract must be fingerprinted within thirty (30) days of their appointment. The cost of fingerprinting shall be borne by the School or the governing board member. The governing board agrees to dismiss governing board members whose fingerprint check results reveal non-compliance with standards of good moral character.
- H.** The teachers, support staff, and contractual staff will be directly supervised by the Principal.
- I.** An Educational Excellence School Advisory Council (EESAC) will be established consistent with Fla. Stat. § 1001.452 to facilitate achievement of the mission of the School, and to ensure that the School meets the needs of the children and community it is developed to serve. To this end, the School will detail and address the following components, for its EESAC: (a) establishment of by-laws; (b) composition of membership; (c) election procedures; (d) communication and posting of meeting agendas and minutes pursuant to Fla. Stat. § 286.011 (Sunshine Law).
- J.** Continuity between the organizing group and the governing board will be maintained in the following ways:

- (1) where possible and appropriate (as per the above criteria and processes), organizing group members will serve as board members for staggered terms;
 - (2) organizing group members who are not on the governing board and not on the Corporation's Board of Directors, may serve on the EESAC; and
 - (3) the governing board will be the fiscal agent for the School and will be involved from the inception in administrative functions, pursuant to such rules and policies as are developed by the governing board.
- K.** As indicated above, the School will be responsible for administrative school functions, such as bookkeeping, pursuant to the rules and policies that are developed by the governing board consistent with such standards for other public schools.
- L.** No employee of the school may be a member of the governing body.
- M.** No member of the School's governing board will receive compensation, directly or indirectly, from the School's operations, including but not limited to grant funds. Violation of this provision shall constitute a material breach of the Contract.
- N.** The School's parents/guardians will contractually agree to be responsible for their children's attendance (per applicable rules and regulations), classroom participation, and behavior. The School agrees to submit Parental Contracts to the Sponsor for approval. Any amendments to the Parental Contracts shall be submitted to the Sponsor in advance for approval. Attached, as Appendix Q, is the School's Parental Contract.
- O.** To insure that parents/guardians will have a strong voice in the governance of the School, the following policies will be observed:
- (1) board meetings will be open to the public in accordance with Fla. Stat. § 286.011 (the Sunshine Law) pursuant to Fla. Stat. § 1002.33(16)(b)1., and parents/guardians shall be notified in a timely manner and encouraged to attend. Notification will also be available in languages other than English, e.g., Spanish, and Haitian-Creole; and
 - (2) periodic academic progress meetings will be held with parents/guardians as a way to provide "open discussion" and two-way feedback on student and program progress.

- P.** The School will comply with Florida Statutes Chapter 119 (the Public Records Act) pursuant to Fla. Stat. § 1002.33(16)(b)2., and any other applicable statutes pertaining to public records.
- Q.** Notices of all governing board meetings must be posted at the School, at the location of the meeting, and at the M-DCPS Citizen Information Center at least five (5) days prior to the meeting. The Sponsor will post announcements filed with the Citizen Information Center on the M-DCPS website on a timely basis.
- R.** The School agrees to allow reasonable access to its facilities and records, including records related to the governing board which meet the requirements of the Public Records Act, to duly authorized representatives of the Sponsor. Failure to provide such access will constitute a material breach of this Contract.
- S.** The School's governing board members shall participate in charter school governance training, facilitated by the Sponsor or an approved Florida Department of Education vendor, to ensure that each board member is aware of his/her duties and responsibilities.

VII. MANAGEMENT COMPANIES

- A.** If a management company will be managing the School, the contract between the management company and the School shall be submitted to the Sponsor prior to the approval of the School's Contract. All proposed amendments to the contract between the management company and the School shall be submitted in advance to the Sponsor for review. A copy of the amended management agreement shall be provided to the Sponsor within five (5) days of execution.
- B.** If a management company is contracted subsequent to the execution of this Contract, the contract between the management company and the School shall be submitted to the Sponsor for review prior to execution by the School.
- C.** The contract between the School and the management company shall require that the management company operate the School in accordance with the terms stipulated in this Contract and all applicable laws, ordinances, rules, and regulations. The contract between the School and the management company shall allow the School the ability

to terminate the contract with the management company. Neither employees of the management company nor members of the management company's employees' families, as defined in School Board Rule 6Gx13-4A-1.18, Assignment – Members of the Same Family, shall sit on the School's governing board or serve as officers of the Corporation.

- D.** Any default or breach of the terms of this Contract by the management company shall constitute a default or breach by the School under the terms of the Contract between the School and Sponsor.

VIII. HUMAN RESOURCES

A. EMPLOYMENT

- (1)** The School will seek personnel who are appropriately certified and highly qualified, bring with them a sense of enthusiasm and commitment as well as a strong belief in and understanding of the charter school concept. Recruitment efforts will also include advertisement in local newspapers and on the school's website, presentations and fliers at local universities, school job fairs, and via word of mouth. Considerable efforts will be taken during interviews to hire the most qualified candidates that cumulatively represent the diverse racial/ethnic background of the local community and county that we serve. The School shall hire its own employees, and shall submit annually to the Sponsor its written strategies used to recruit, hire, train, and retain qualified staff. The School agrees that its employment practices shall be nonsectarian pursuant to Fla. Stat. § 1002.33(9)(a).
- (2)** The governing board shall strive affirmatively to provide equal opportunity in employment.
- (3)** All instructional staff employed by, or under contract to, the School shall be certified as required by Chapter 1012, Florida Statutes, and shall meet all requirements for highly qualified instructional personnel as defined by the No Child Left Behind Act (NCLB). The School may employ or contract with skilled selected non-certified personnel to provide instructional services or to

assist instructional staff members as education paraprofessionals in the same manner as defined in Chapter 1012. Their resumes/biographies shall be available to parents/guardians and community members upon request. Parents/guardians will be advised of the School's commitment to providing continuing professional development programs for its teachers to enhance their ability to maximize student learning.

- (4) The School agrees to provide the Sponsor with the names and social security numbers of all applicants the School is interested in employing. In order to ensure that all School employees are processed properly through the Sponsor, the School will provide the Sponsor copies of monthly payroll rosters as directed. The payroll rosters should, at a minimum, indicate the payroll period, the number of days that each individual was paid for, and the daily rate of each salary or the total amount paid to each individual during that period. Failure to provide this information in a timely manner may result in withholding of FTE payments until the information is provided and shall constitute a breach of this Contract. A repeated failure to provide this information shall be deemed a default of this Contract. The parties agree that the School will utilize the Sponsor's specifically-designed Automated Charter School Employee System (ACES) and procedures for processing staff information. The Sponsor agrees to provide appropriate training to School personnel on the use of the electronic reporting facility.
- (5) The School agrees not to employ an individual for instructional services if the individual's certification or licensure as an educator is suspended or revoked by this or any other state. The School shall monitor teacher certification and ensure that teachers maintain their certification current at all times. Temporary instructors employed by the School must have a current substitute teaching certificate issued by the Sponsor.
- (6) The School agrees not to employ an individual who has resigned in lieu of disciplinary action or who has been dismissed by any school district.
- (7) The School agrees to disclose to the parents/guardians and the Sponsor the

qualifications of its teachers upon request.

- (8) Pursuant to Fla. Stat. §§ 1012.32(2)(a), 1012.465, and 435.04, and School Board Rule 6Gx13- 4C 1.021, as well as 2005 HB 1877, the Jessica Lunsford Act, the School agrees to fingerprint for level 2 screening of all applicants, for instructional and non-instructional positions, that the School is interested in employing. Additionally, the School agrees that each of its employees, representatives, agents, subcontractors, or suppliers who are permitted access on school grounds when students are present, who have direct contact with students or who have access to or control of school funds must meet level 2 screening requirements as described in Fla. Stat. §§ 1012.32 and 435.04 and, upon obtaining level 2 clearance, must obtain the required Sponsor-issued photo identification badge which shall be worn by the individual at all times while on School property when students are present.
- (9) The Sponsor shall perform the processing of each applicant's fingerprints and the issuance of the photo identification badges. The School or the applicant shall bear any and all costs associated with the required fingerprinting, Level 2 background screening, and photo identification badge.
- (10) The School agrees that School employees shall not be hired prior to the Sponsor's receipt and review of the fingerprinting and Level 2 background screening results of the charter school applicants from the Florida Department of Law Enforcement and the Federal Bureau of Investigation. Potential School employees shall submit official court dispositions for criminal offenses of moral turpitude listed as part of their fingerprint results. The School agrees not to hire applicants whose fingerprint check and Level 2 screening results reveal non-compliance with standards of good moral character. Noncompliance may result in withholding of FTE payments and shall constitute a breach of this Contract.
- (11) The School agrees to conduct general drug screening on all applicants for instructional and non-instructional positions with the School, including contracted personnel, in the manner set forth in the Sponsor's School Board

Rule 6Gx13- 4-1.05 and the Miami-Dade County Public Schools' Drug-Free Workplace General Policy Statement, attached hereto as Appendix R. A negative drug screening result shall be a requirement and prerequisite for employment. The cost of drug screening will be borne by the School or the applicant.

- (12) The School agrees to require all instructional employees who hold Department of Education teaching certificates to self-report within 48 hours to appropriate authorities any arrest and final dispositions of such arrest other than minor traffic violations. (DUI is not considered a minor traffic violation.) The School further agrees to require employees to adhere to School Board Rule 6Gx13- 4A-1.21, Responsibilities and Duties, 6Gx13-4-1.08, Violence in the Workplace, and 6Gx13-4A-1.302, prohibiting employees from bringing firearms onto School property. The School shall be responsible for the investigation and discipline of any School employee who may be in violation of these Rules.
- (13) The School agrees to require that its employees abide by the guidelines set forth in Chapter 6B-1.001, Code of Ethics of the Education Profession in Florida, and Chapter 6B-1.006, Principles of Professional Conduct for the Education Profession in Florida, hereby attached as Appendix S (Code of Ethics – Education Profession). The School shall be responsible for the investigation and discipline of any School employee who may be in violation of these regulations.
- (14) Attached, as Appendix T (Personnel Policy), is the School's policy for selecting and employing personnel.
- (15) The School shall employ only individuals legally authorized to work in the United States pursuant to federal immigration laws and USCIS regulations.
- (16) Pursuant to Fla. Stat. § 1002.33(12)(b), School employees shall have the option to bargain collectively and may collectively bargain as a separate unit or as part of the existing School District collective bargaining unit as determined by the structure of the School.

(17) The School expressly reserves the right to discipline its employees in accordance with the laws of the State of Florida (and consistent with the Rules of the State Board of Education) and any applicable federal laws. The School will apply thorough, consistent, and even-handed procedures in disciplinary actions. Terminated employees are entitled to receive compensation for the time they have been employed.

B. PRIVATE OR PUBLIC EMPLOYEES

The School will be a not-for-profit, private employer. (If the School herein elects to be a public employer, the School may participate in the Florida Retirement System upon application and approval as a "covered group" under Fla. Stat. § 121.021(34). If a charter school participates in the Florida Retirement System, the charter school employees shall be compulsory members of the Florida Retirement System.) Teachers and other staff on approved charter school leave from the Sponsor will be considered employees of the School and as such will not be covered by the contract between the United Teachers of Dade (UTD) and M-DCPS.

IX. MISCELLANEOUS PROVISIONS

- A. Neither party shall be considered in default of this Contract if the performance of any section or all of this Contract is prevented, delayed, hindered or otherwise made impracticable or impossible by reason of any strike, flood, hurricane, riot, fire, explosion, war, act of God, sabotage, accident or any other casualty or cause beyond either party's control, and which cannot be overcome by reasonable diligence and without extraordinary expense.
- B. This Contract shall constitute the full, entire, and complete agreement between the parties hereto. All prior representations, understandings, and agreements whether written or oral are superseded and replaced by this Contract. This Contract may be altered, changed, added to, deleted from, or modified only through the voluntary, mutual consent of the parties in writing. Any substantial amendment to this Contract shall require approval of the School Board.
- C. This Contract shall not be assigned by either party. The School may, without the

consent of the Sponsor, enter into contracts for services with an individual or group of individuals organized as a partnership or cooperative so long as the School remains ultimately responsible for said services as set forth in this Contract.

- D.** No waiver of any provision of this Contract shall be deemed or shall constitute a waiver of any other provision unless expressly stated. The failure of either party to insist in any one or more instances upon the strict performance of any one or more of the provisions of this Contract shall not be construed as a waiver or relinquishment of said term or provision, and the same shall continue in full force and effect. No waiver or relinquishment to any provision of this Contract shall be deemed to have been made by either party unless in writing and signed by the parties.
- E.** Non-compliance with any of the terms and conditions of this Contract shall constitute a material breach of contract.
- F.** All representations and warranties made herein shall survive termination of this Contract.
- G.** If any provision or any section of this Contract is determined to be unlawful, void or invalid, that determination shall not affect any other provision or any section of any other provision of this Contract and all such remaining provisions shall continue in full force and effect, notwithstanding.
- H.** This Contract is not intended to create any rights of a third party beneficiary. This clause shall not be construed, however, as contrary to any statutory or constitutional right possessed by a member of the community, a student, or parent/guardian of a student of the School.
- I.** This Contract is made and entered into in the State of Florida and shall be interpreted according to the laws of Florida, with venue in Miami-Dade County. The parties mutually agree that the language and all parts of this Contract shall in all cases be construed as a whole according to its fair meaning, and not strictly for or against any of the parties.
- J.** Every notice, approval, consent or other communication authorized or required by this Contract shall not be effective unless same shall be in writing and sent postage prepaid by United States mail, directed to the other party at its address hereinafter

provided or such other address as either party may designate by notice from time to time in accordance herewith:

Somerset Academy, Inc.
Mr. Victor Barroso
6361 Sunset Drive
Miami, Florida 33143

Somerset Grace Academy
Principal
624 Anastasia Avenue
Coral Gables, Florida 33134

The School Board of Miami-Dade County, Florida
Attn.: Superintendent of Schools
1450 N.E. 2nd Avenue, Suite 931
Miami, FL 33132-1308

And copies of all Notices to:

Clerk of the School Board
1450 N.E. 2nd Avenue, Suite 268B
Miami, FL 33132-1308

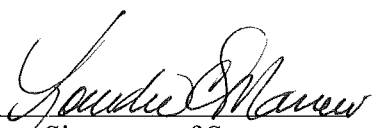
- K.** The School and the Sponsor both represent that they have been represented in connection with the negotiation and execution of this Contract and they are satisfied with the representation.
- L.** The headings in the Contract are for convenience and reference only and in no way define, limit, or describe the scope of the Contract and shall not be considered in the interpretation of the Contract or any provision hereof.
- M.** This Contract may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one Contract.
- N.** Each of the persons executing this Contract represent and warrant that they have the full power and authority to execute the Contract on behalf of the party for whom he or she signs and that he or she enters into this Contract of his or her own free will and accord and in accordance with his or her own judgment, and after consulting with anyone of his or her own choosing, including but not limited to his or her attorney.

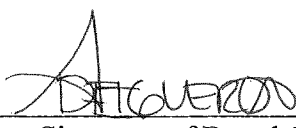
- O. In the event of any conflict between the provisions of this Contract and any Appendix, this Contract shall prevail.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day and year first above written.

ATTEST:

SOMERSET ACADEMY, INC., on behalf of
SOMERSET GRACE ACADEMY

By:  9-9-10
Signature of Secretary Date

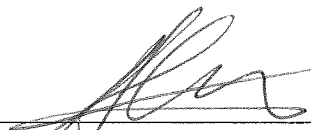
By:  9.9.10
Signature of Board Chair Date

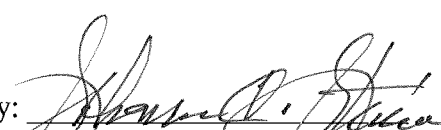
Name: Lourdes Marrero
Secretary

Name: Andreina Figueroa
Board Chair

ATTEST:

THE SCHOOL BOARD OF MIAMI - DADE COUNTY, FLORIDA

By:  10/10/10
Signature of Secretary Date

By:  10/25/10
Signature of Board Chair Date

Name: Alberto Carvalho
Secretary

Name: Solomon C. Stinson
Board Chair

APPROVED AS TO FORM:

By: M. Melnick 10/6/10
School Board Attorney Date

Name: M. Melnick
School Board Attorney

